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Classified By: PolMinCouns Scott Bellard, reasons 1.4 (b) and (d)

[1](#)1. (C) Summary: Under Prime Minister Harper, Canada has devoted more of its diplomatic and aid attention to the Americas, notably a 2007 high-profile Latin America trip by the PM, as well as other high level visits. The government has apparently abandoned an initial effort to develop a strategic document to guide Canada's involvement in the hemisphere, however. Haiti remains a key priority and is Canada's second largest recipient of foreign assistance (after Afghanistan), with the Western Hemisphere taking seven out of twenty slots on Canada's latest list of targeted aid recipients. Canada also sees free trade as a potent tool of greater engagement in the Americas. Canadian National Security Advisor Morin has also been pushing the bureaucracy to support Mexican President Calderon's efforts to improve the security situation in Mexico. PM Harper may unveil plans for a Lima-based democracy promotion center and/or a Panama-based security assistance center at the Fifth Summit of the Americas, but will likely stay away from other controversial issues. End Summary.

Strategy? We prefer actions...

[1](#)2. (C) Upon taking office for the first time in 2006, Prime Minister Stephen Harper announced a sharper focus for Canada's foreign policy priorities, notably highlighting relations with the U.S., Afghanistan, emerging markets in Asia, and the Western Hemisphere. He came to this decision, in part, after extended discussions with Australian then-Prime Minister John Howard, according to the Department of Foreign Affairs and International Trade's (DFAIT) Director General for Latin America and the Caribbean James Lambert. Harper had long been favorably impressed by Australia's ability to exert outsized influence with the U.S. in particular -- and other powers as well -- by emphasizing its relations in its own neighborhood, observed Lambert, who added that PM Harper hoped to gain similar benefits for Canada by increased attention to Latin America and the Caribbean. When forming his second government after the October 2008 election, PM Harper also created the new position of Minister of State for the Americas, naming former journalist and new Conservative MP Peter Kent. While Kent has traveled frequently throughout the hemisphere, he does not have actual staff or exercise ministerial oversight of Brazil and Cuba policy in particular, as he had originally been promised, according to DFAIT contacts.

[1](#)3. (C) Canada had initially sought to develop a full-blown

policy strategy to guide "whole of government" engagement with the hemisphere, including appointment of a DFAIT Assistant Deputy Minister as concurrent "Executive Coordinator of the Americas Strategy." After more than a year's work of effort and at least one presentation to the Cabinet by DFAIT, the government decided to dispense with a written strategy (ref b) and focus instead on discrete actions. According to DG Lambert, DFAIT's own current goal was instead "more fully to staff" all its embassies "throughout the hemisphere," despite a 26 pct cut in DFAIT's 2009 budget. DFAIT Deputy Director for Inter-American Affairs Flavie Major separately admitted to poloff that DFAIT had missed major opportunities in 2006 and 2007 because "we never asked for new money...and now that possibility is closed off." She added that Canada's Americas strategy nonetheless reflected "an attempt by Canada to keep at seat at the table" at a time when many in the hemisphere may want to exclude Canada. She confided that DFAIT was still working on a "public communication" document for PM Harper to release at the Fifth Summit of the Americas in Port-of-Spain.

¶4. (C) Separately, however, Canadian Foundation for the Americas Executive Director Carlo Dade commented to poloff that Canada will inevitably need to devote more resources to its Americas strategy since "all the low hanging fruit has already been picked." He observed that signing free trade agreements and sending delegation were easy, while deepening the relationship with the hemisphere will take serious commitment of money and people.

Haiti: Concern About Donor Fatigue

¶5. (C) PM Harper has placed Haiti at the center of Canadian engagement in the Americas with a five-year (2006-2011) C\$555

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million aid program, with Canada as the second largest bilateral donor there and with Haiti as Canada's second largest overseas aid recipient, after Afghanistan. The choice of Haiti reflected Canada's shared francophone heritage, concern over instability in the region, and a strong historical connection with the Caribbean, as well as a large Haitian Diaspora among Canada's immigrant population. Current Governor General Michaëlle Jean is a native of Haiti and retains close ties there, but drew criticism from some local media commentators during President Obama's February visit to Ottawa for stepping beyond her ceremonial role to try to discuss Haiti's problems with him.

¶6. (C) As Minister for International Cooperation Bev Oda emphasized at the April 14 Haiti Donors' conference in Washington, the international community must heighten its focus on results in aid programs in Haiti; Secretary Clinton underscored Minister Oda's intervention in her own public remarks. According Canadian International Development Agency (CIDA) Policy Director Keith Fountain, Canada was also increasingly concerned about "donor fatigue" in Haiti. Canada remains convinced that Haiti is "not a lost cause," but believes that other international partners "must meet their commitments" for meaningful change to take place. Fountain admitted that Canada would offer no new pledges at the donors' conference in Washington, but claimed this was because Canada does not want to undercut its message to other donors on the importance of aid effectiveness and a focus on results and implementation. He noted that Canada over the coming year especially wants the international community to focus on job creation and basic services in Haiti, and that Canada views lack of concrete progress in basic services to improve the everyday life of ordinary Haitians as a key obstacle to political progress on the island.

¶7. (SBU) Fountain underscored that Canada remained on track to meet its commitments in Haiti and to complete its projects on time. Major ongoing Canadian projects in Haiti include

C\$75 million for construction of a road from Les Cayes to Jeremie and C\$100 million for development of school curriculum. In February 2007, then-Foreign Minister Maxine Bernier announced other key projects, including:

- rebuilding police training schools (C\$3.3 million);
- rebuilding and equipping 21 police stations in the Department du Sud (C\$3.5 million);
- building a border post at Belladere (C\$2.4 million);
- training and technical assistance for legislation drafting on human migration and trafficking (C\$2.9 million); and,
- construction of a coast guard base at Les Cayes on the south coast of Haiti (C\$7 million).

18. (SBU) Fountain added that Minister Oda was eager to work with the next USAID Administrator on aid effectiveness in Haiti and elsewhere. In a late February update of Canada's new 20 top aid recipients (ref a), Oda included not only Haiti and the Caribbean, but also Bolivia, Colombia, Haiti, Honduras, and Peru.

Trade as a tool

19. (SBU) Since assuming his new portfolio in October 2008, Minister of International Trade Stockwell Day has also been active in traveling within the region, in part to push for greater and freer trade through conclusion of several free trade agreements (FTAs) as part of Canada's Americas strategy. Minister Day visited Panama in December 2008 for trade discussions with the Panamanian government, as well as for additional talks with the Central American Four partners. For additional talks with the Central American Four partners (El Salvador, Guatemala, Honduras, and Nicaragua). In November 2008, Day had traveled to Peru for APEC, as well as a trip to Brazil. In May 2008, Canada had already inked a trade pact with Peru, followed by another FTA with Colombia in November 2008.

110. (C) The government has submitted the implementing legislation for both FTAs to Parliament, but concerns over alleged abuses and killings of labor activists in Colombia have made the Colombia FTA in particular somewhat of a difficult sell in some quarters of Parliament, according to DFAIT's Major. "It was a painful but deliberate choice for the Prime Minister," she said, adding that Harper was committed to supporting President Uribe despite potential domestic political costs. Harper and Uribe had struck up a good friendship, she said, and the Prime Minister wished to support someone he viewed as courageous and trying to change his country for the better. Canada was also continuing negotiations with the Central American Four partners. The parties met again for talks in late February and will have a second round in April 27 to 30 in Managua. Both sides having been trying to agree to terms since 2001. The talks had

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stalled for several years beginning in 2004, but resumed in 2006.

Brazil: Re-starting

111. (C) Foreign Minister Cannon's late-February trip to Brazil highlighted Canada's desire to "turn the page" on a long-stalled bilateral relationship, according to DFAIT Brazil Deputy Director Catherine Vezina. Vezina underscored that engaging with Brazil is an "obvious and inevitable priority" of the Canadian America's strategy in light of Canada's global commercial strategic emphasis in foreign policy, the important role Brazil plays in the WTO, UN, G-20, and other multilateral fora, and Brazil's central role in the global effort to combat climate change. Reflecting Canada's "whole of government" approach to Brazil, Canada has a range of bilateral agreements and programs, including academic exchanges, science and technology, health, culture,

agriculture, labor, and defense policy talks, according to Vezina. Most recently, Canada took the "unusual step" of sending nine deputy ministers to Brazil in February for discussion with their Brazilian counterparts, Vezina added.

¶12. (C) Vezina admitted that several "irritants colored the bilateral relationship for much of the 1990s and well into the early 2000s," including protracted agricultural and aerospace trade disputes as well as several high profile consular cases. She claimed that FM Cannon's trip had been a "very important public acknowledgment of the current state of good relations, which she described as "much more mature than a decade ago." She noted that both Minister Cannon and Minister Day had chosen to start their travels to the region with trips to Brazil to underline its regional importance. She also added that Canada and Brazil, as major contributors to the UN Mission in Haiti, also share an important commitment to that country and have been considering several trilateral development projects there. She emphasized that two-way investment was "robust" and diverse in everything from minerals to film production (the major Hollywood release "Blindness" was a Canadian-Brazilian co-production), with Canada now the largest recipient of Brazilian foreign direct investment.

¶13. (C) Vezina pointed as well to the November 2008 signing of the Brazil-Canada Framework Agreement for Cooperation on Science, Technology, and Innovation as an important next step in deepening the relationship. Canada will contribute C\$1.5 million to support joint research and development projects between Brazilian and Canadian companies, governments, and research institutes. However, Brazil expert Dr. Annette Hester, a University of Calgary academic and non-resident scholar at the Center for Strategic and International Studies, told poloff that the agreement showed the "absurdity" of Canada's Americas strategy and the "irrelevancy" of Canada to Latin America, since "Petrobras is going to devote more than \$174 billion to research and development through 2013 and Canada is offering \$1.5 million over two years. That's not a strategy for Brazil, and without a Brazil strategy, you don't have an Americas strategy," she said.

Mexico: Emphasis on Security

¶14. (C) Canada has become increasingly concerned about the security situation in Mexico, according to several Canadian interlocutors. DFAIT contacts have noted that National Security Advisor Marie-Lucie Morin was pushing the government to aid Mexican President Calderon in a more public way (refs c-e). An inter-agency Canadian team met with counterparts in Qc-e). An inter-agency Canadian team met with counterparts in Mexico City on March 12 and 13 to see how Canada might better support President Calderon's efforts to reform the police, corrections, and judicial sectors. The visit also reflected the reinvigorated bilateral security policy consultations that began again in December 2007.

¶15. (C) NSA Morin had specifically tasked DFAIT and the Department of Public Security with examining how best to support Mexico in light of Canada's human resource and financial capital constraints, according to according to DFAIT Mexico Deputy Director David Morgan. However, without a compelling case for Cabinet, new funding for Mexico would likely mean "cannibalizing" the aid budget from other countries, Morgan commented. Even in a best case scenario, DFAIT might ask Cabinet for only up to C\$15 million in new money, while a worst case would mean no new money and simply "shuffling the deck chairs around," Morgan added.

¶16. (SBU) Canada's and Mexico's bilateral security working group now focuses on increasing cooperation and information

exchange in migration, emergency management, marine security, and law enforcement. Morgan characterized the working group as a "modest initial step that is practical, focused, and results oriented." Canadian Border Services Agency (CBSA) and the Mexican Interior Ministry's Subsecretariat for Population and Religious Affairs separately agreed in August 2008 to begin working on two joint threat assessments on the "flow of high risk nationals in North America" and "Mexicans requesting refugee status in Canada." Public Safety Canada and its Mexican counterpart are also currently planning an initial assessment of offshore crude oil and natural gas extraction platforms to determine the feasibility and terms of reference for a critical infrastructure protection exercise. Department of Transport Canada and Mexico's SEMAR are in the midst of a bilateral port facilities visit initiative to exchange best practices and lessons learned in implementing port and marine security measures to meet International Maritime Organization standards. The Royal Canadian Mounted Police (RCMP) and Mexico's Public Service Secretariat (SFP) are discussing a comprehensive law enforcement cooperation memorandum of understanding that would govern the relationship between the federal police services of the two countries. The RCMP and the SFP have also undertaken to exchange national police training curricula to identify future training opportunities.

Summit of the Americas

¶17. (C) Canada hopes that the Fifth Summit of the Americas meeting in Port of Spain April 17-19 will be an "important crossroads" for the Organization of American States and the hemisphere, according to DFAIT Inter-American Policy and OAS Deputy Director Leonard Beaulne. Beaulne told poloff that the Trinidad Summit "must be a success" -- given disappointment over the Fourth Summit -- if the Summit process is to remain relevant. He added that Canada attaches great importance to the Summit process, especially since Canada finds itself increasingly "not invited to the table" for other hemispheric fora. According to DFAIT's Major, "the Latinos don't want the U.S. at the table and they see Canada as an extension of the U.S." Beaulne commented that the "relative incapacity" of the OAS strengthens the argument for those that are proposing alternative institutions, like Chavez's ALBA, UNASUR, or the Rio Group. He noted that Canada wanted to see a stronger link between the Summit process and the work of the OAS with a goal of increasing the effectiveness and relevance of both institutions.

¶18. (C) According to DFAIT Summit Coordinator Paul Williams, Canada does not plan to take a strong public stance over possible attempts by Venezuela's Hugo Chavez or Nicaragua's Daniel Ortega to make an issue of Cuba's exclusion from the Summit. He added that PM Harper, at most, would likely say the leaders' meeting was not the "appropriate venue to discuss the issue" and would instead perhaps call for the OAS Secretary General to study the controversy and report back at a later date. He added that it was unlikely PM Harper would make any reference to the Inter-American Democratic Charter in any public statements on Cuba and the Summit.

¶19. (U) PM Harper announced on April 15 that, in addition to the Summit participation in Port of Spain, he will then visit Jamaica on April 19 and 20, citing the "special bond" between the two nations and pledging to build on "this historic partnership."

Q
Venezuela and Democracy Promotion

¶20. (C) According to DFAIT DG Lambert, Canada -- as well as Brazil and Chile -- had appreciated U.S. efforts to de-escalate public disagreements with Venezuelan President Hugo Chavez, believing that the skillful handling of Chavez over the past several years had muted hemispheric criticism of U.S. policy in other areas, especially with regard to Cuba. Lambert said Canada believes that poverty feeds Chavez's success in furthering his populist ambition through

ever greater centralization of power. Internationally, Chavez's tentative "alliance" with Iran was increasingly "worrying" to Canada, according to Lambert, since it has the potential to divert global attention from human rights and civil liberties. Nonetheless, with Venezuela as its third largest export market, Canada had no choice but to stay engaged with Caracas, despite increasing concerns for the investment climate in Venezuela.

¶21. (C) Canada seeks to export Canadian values in the Andes, Lambert insisted, and was now considering creation of a democracy promotion center based in Lima, with cross accreditation to other countries nearby -- including Venezuela and Bolivia (ref f). DFAIT's Major claimed to

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poloff that Canada was also considering opening a security assistance center in Panama to help Central American and Caribbean countries build their capacity to counter rising crime and violence in the region. Major predicted that PM Harper might use the Summit of the Americas to announce both centers. However, funding remained a problem; DFAIT senior policy advisor for democracy promotion Amanda Garay admitted to poloff separately that while "democracy promotion in the region is a big priority, it gets a small share of resources." If they come into existence, both centers would likely have only one or two Canadian-based staff at the outset, according to DFAIT contacts. Public Safety Canada Director General for International Affairs Artur Wilcynski told poloff, however, that he had never even heard of the proposed Panamanian center.

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